



**DEPARTMENT OF PARKS
AND COMMUNITY SERVICES**

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Budget and Finance Committee
Sacramento, California

CITY OF SACRAMENTO
CALIFORNIA

May 26, 1989

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DIVISIONS:
CROCKER ART MUSEUM
GOLF
METROPOLITAN ARTS
MUSEUM AND HISTORY
PARKS
RECREATION
ZOO

Honorable Members in Session:

**SUBJECT: Sacramento Softball Complex Progress Report, Advertising and
City-County Agreement**

SUMMARY

This report provides information regarding the first year of operation of the Sacramento Softball Complex. This report recommends that City Council, by resolution:

1. Allow the sale of advertising at the Softball Complex to include all product types that are sold at the Complex, including alcohol; and
2. Authorize the City Manager to execute an amendment to the joint agreement between the City and County of Sacramento for the Softball Complex, to share equally in the profits or deficits related to the Complex.

BACKGROUND INFORMATION

The Sacramento Softball Complex, a joint venture between the City and County of Sacramento, opened on June 19, 1987. The Complex offers four outstanding softball fields, a full service snack bar, a 100-seat restaurant, children's play area, lighted parking, and shade trees. This report presents a progress report on the Complex and makes recommendations related to increasing the efficiency of the operation and management of the Complex.

In the first year of operation, the Complex played host to the National Collegiate Athletic Association's Division II Women's Fast Pitch Nationals and the Girls' High School Championships; Girls' 15 and Under Fast Pitch Regional Tournament; Amateur Softball Association's Class "B" Fast Pitch Men's Regionals; and the League Championship Series, which was the largest tournament held in Metropolitan Sacramento and one of the largest in the nation.

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The Complex also played host to several special events at the Complex during FY 1987-88, including a car show, radio station picnic, and The Queen and Her Court softball exhibition. Additionally, City-County jointly funded improvements have been made or are planned at the Complex. The City's portion of funding these improvements has been allocated from the Proposition 70 Per Capita grant. The improvements include a maintenance shed, correction of roadway erosion problems, portable outfield fencing for tournament play, and lighting of the designated warm-up area.

Staff is also investigating the addition of tournament-quality sand volleyball courts at the Complex. These courts would not only provide recreational opportunities for another segment of the community, but also allow the City to host national volleyball tournaments at the Complex. Funding for construction of these courts would be allocated from the Proposition 70 Per Capita grant.

Next year, the Complex will host the Men's Class "B" Fast Pitch National Championships and may become the permanent site for the Division II Girls' National Collegiate Championships. National championship tournaments are important to the success of the Complex insofar as they provide a positive financial impact and create considerable favorable advertising for this special facility.

The Sacramento Softball Complex generates a significant positive economic impact on the Sacramento community. The City, County, hotel/motel industry, and other local businesses benefit from the dollars spent by softball participants and spectators. For example, during the 1988 Co-ed National Tournament, with 77 teams (67 teams from out of town) participating over a four-day period, it is estimated that a total of \$800,800 was spent in Sacramento. On the basis of this figure, Transient Occupancy Tax and Sales Tax revenue from this single event alone totalled an estimated \$31,792 to the City and County (Exhibit B).

Advertising Rights

On October 7, 1986, the City Council, by resolution, authorized the Department of Parks and Community Services to pursue the sale of limited advertising rights for the Sacramento Softball Complex. The sale of advertising at the Complex was proposed in order to generate revenue for both capital and on-going expenses. At the time that approval was given, City Council and Board of Supervisors directed that sale of advertising for alcohol and tobacco products be prohibited.

On July 7, 1987, the Council approved the selection of California Connections as the advertising broker contracted to represent the City in the sale of advertising space at the Complex. Since August 1, 1987, California Connections has sold approximately \$40,000 worth of advertising to offset Complex operational costs. This represents approximately one-third of the goal set for the fiscal year. In evaluating the first nine months of sales, the prohibition of advertising of alcohol products has caused a loss of at least \$25,000 worth of potential advertising revenue to the City.

Advertising for alcohol and tobacco products is currently prohibited because of a perceived conservative public opinion regarding drinking and smoking. However, beer and wine are sold at Pazelli's, the Complex restaurant concession, and special events sponsored by alcoholic beverage corporations are permitted.

Permitting the sale of advertising for alcohol products would make the financing and operation of the Complex consistent, increase opportunities to generate revenue, and increase the self-sufficiency of the complex operation.

No other city facilities have a similar prohibition. Reconsideration of the prohibition of sale of advertising for alcoholic beverages will bring consistency to city policy related to alcohol products.

Advertising for tobacco products has not and will not be accepted, and is not requested in this report.

City/County Agreement

Expenditures for the Complex during FY 1987-88 were \$256,548 and revenue totals were \$230,635, reflecting a \$25,913 deficit (see Exhibit C). Per the joint use agreement between the City and the County of Sacramento, the County will absorb the deficit for FY 1987-88.

In order to continue to share equally in the operation and maintenance of the Complex, the Parks and Community Services Department staff is currently working with the County of Sacramento on revising the financial aspects of the agreement to share equally in the profits or deficits relating to the Sacramento Softball Complex.

Currently, the joint agreement between the City and County of Sacramento calls for revenue generated at the Complex to offset costs annually in the following order:

1. All city operational costs related to the Softball Complex.
2. All county maintenance costs related to the Softball Complex.
3. All city personnel costs related to the Softball Complex.
4. All county personnel costs related to the Softball Complex.
5. Reimbursement for any prior year shortfall amendment recommended in this report.

The amendment recommended in this report calls for Softball Complex revenue to be disbursed annually as follows:

1. \$4,000 to be allocated solely for replacement of fixed asset equipment associated with the Complex and Complex improvements; and
2. If revenue is not sufficient to fully reimburse both the City and County for all Complex-related expenses, then the City and County will equally share the shortfall.

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NFINANCIAL DATA

Revenue generated through the Sacramento Softball Complex in FY 1987-88, including concessions and advertising, totalled \$230,635, while City and County expenditures for the Complex equalled \$256,548, leaving a deficit of \$25,913. In accordance with the joint agreement between the City and County, the County is absorbing the deficit.

Approximately \$25,000 in revenue for the Complex has been lost through the prohibition of sale of alcohol product advertising. This potential revenue would provide a greater level of self-sufficiency in the complex operation.

Should a year-end shortfall occur in FY 1988-89 or future fiscal years, the deficit will be equally shared between the City and County. The City's portion of the deficit would be absorbed by the Recreation Division operating budget.

POLICY CONSIDERATIONS

Current City Council policy regarding sale of advertising for alcoholic beverages at the Softball Complex is inconsistent insofar as alcohol is sold in the Complex restaurant. Special events sponsored by alcoholic beverage corporations are also permitted. This report recommends that sale of advertising for alcohol products be permitted at the Complex, thereby making policy consistent and increasing opportunities for the Complex to increase revenue and self-sufficiency.

City Code does not prohibit any advertising or signage related to alcoholic beverages.

Amendment of the joint agreement between the City and County for operation and maintenance of the Softball Complex will result in the City and County sharing in any future profits or deficits related to the Complex. As an example, this year the City's portion of the deficit would have been \$12,957, which would be absorbed by the Recreation Division operating budget.

This report was reviewed and approved by the County Park and Recreation Commission on April 27, 1989, and by the City Park and Recreation Citizens Advisory Committee on May 25, 1989.

MBE/WBE EFFORTS

No effect.

RECOMMENDATION

This report recommends that the Budget and Finance Committee approve this report and refer it to the full City Council for action. Further, it is recommended that City Council, by resolution:

1. Allow the sale of advertising at the Softball Complex to include all product types that are sold at the Complex, including alcohol; and

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RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

RESOLUTION ALLOWING SALE OF ADVERTISING AT THE
SACRAMENTO SOFTBALL COMPLEX TO INCLUDE ALCOHOL
PRODUCTS AND AUTHORIZING THE CITY MANAGER TO
EXECUTE AN AMENDMENT TO THE JOINT AGREEMENT
BETWEEN THE CITY AND THE COUNTY OF SACRAMENTO
FOR THE SACRAMENTO SOFTBALL COMPLEX

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

1. That the city policy related to advertising for alcohol products is hereby reconsidered, and the sale of advertising for alcoholic products at the Sacramento Softball Complex is hereby permitted.
2. That the City Manager is hereby authorized to execute an amendment to the joint agreement between the City of Sacramento and County of Sacramento (City Agreements No. 84081 and 85005A, and 86106 amending Agreement 84081), in order to share equally in the profits or deficits related to the Complex.

MAYOR

ATTEST:

CITY CLERK

May 26, 1989

PH

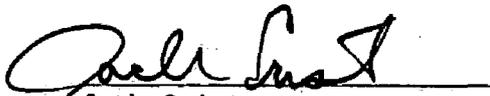
2. Authorize the City Manager to execute an amendment to the joint agreement between the City and County of Sacramento for the Softball Complex, to share equally in the profits or deficits related to the Complex.

Respectfully submitted,



Robert P. Thomas, Director
Parks and Community Services

Approved for Information:

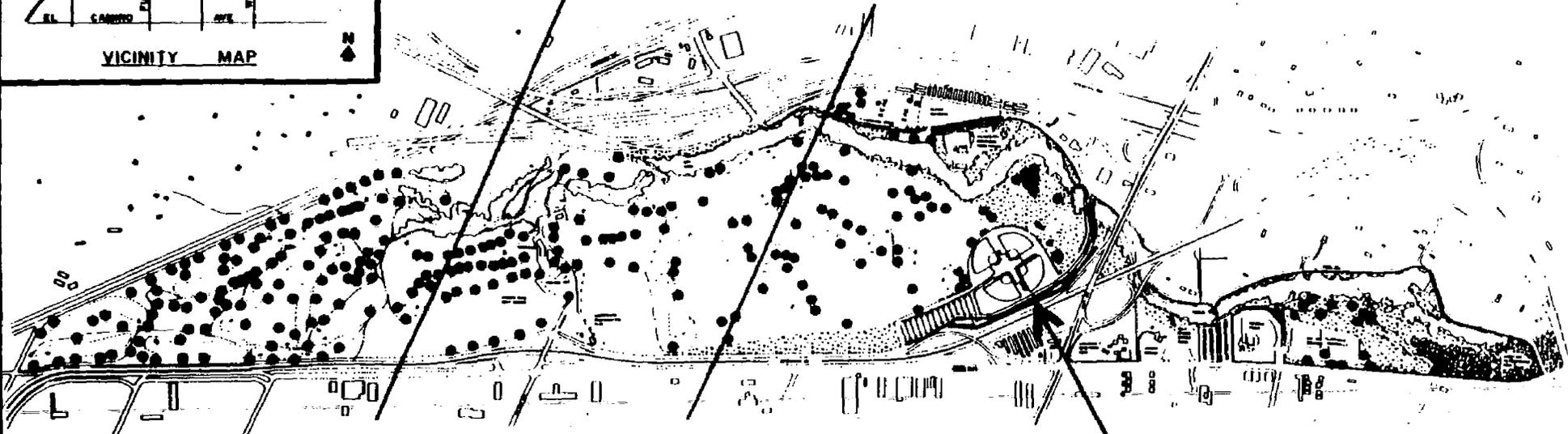
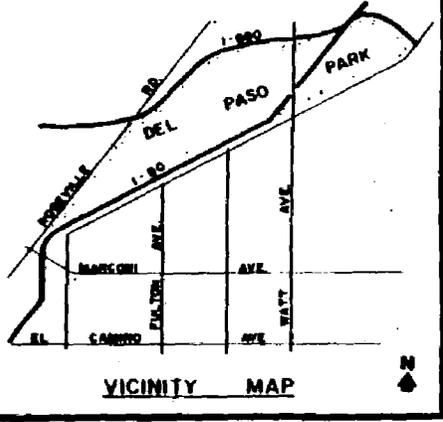


Jack Crist
Deputy City Manager

RPT:ja

June 7, 1989
All Districts

Contact Person to Answer Questions: Robert P. Thomas, Director - 449-5338



SOFTBALL COMPLEX



REVISIONS	DATE	BY	APPROVED BY

DESIGNED BY ELMANNETT
 LANDSCAPE ARCHITECT
 DATE 2ES 1185
 FIELD BOOK SCALE

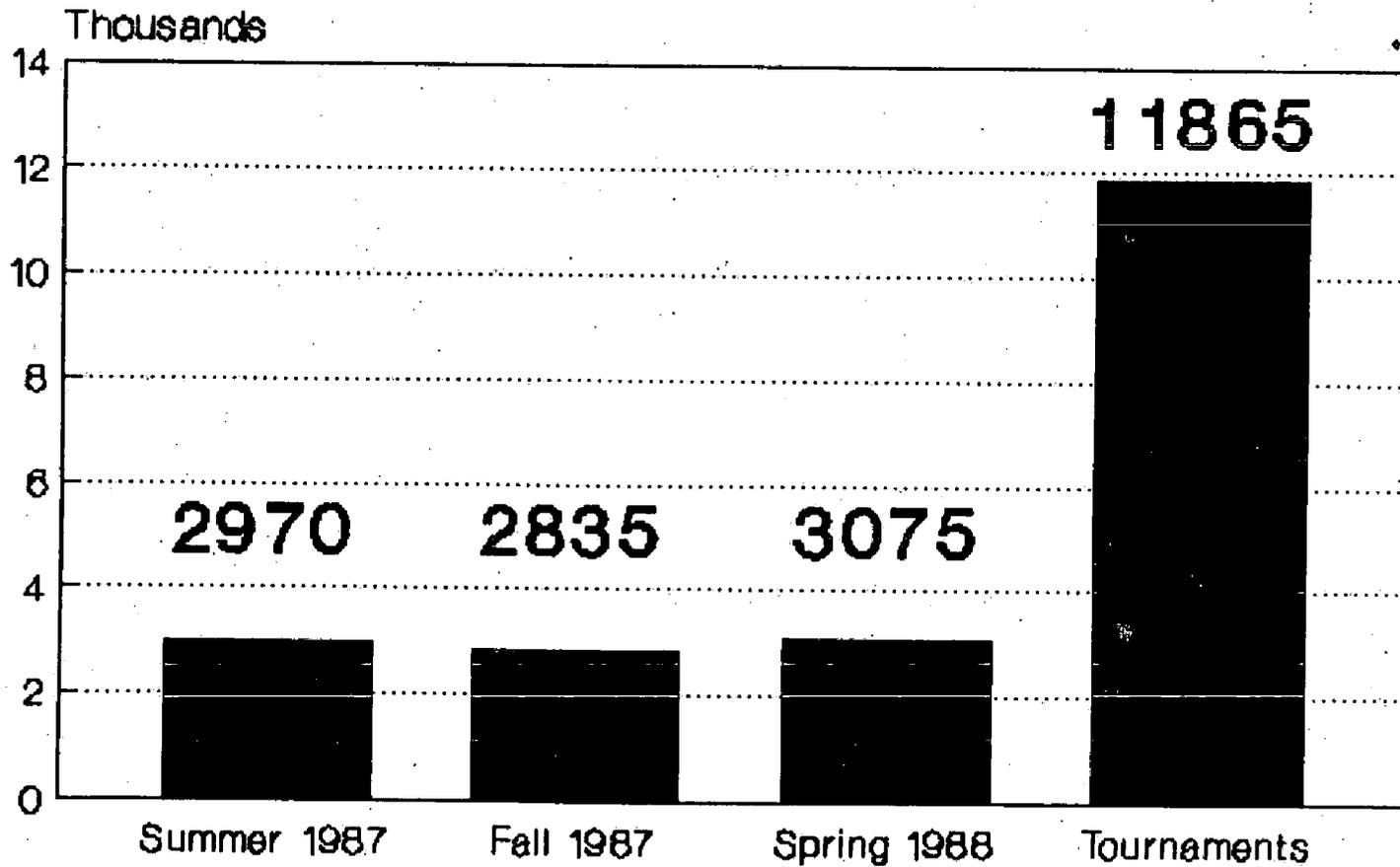
CITY OF SACRAMENTO
 DEPARTMENT OF COMMUNITY SERVICES



DEL PASO PARK (679.03 AC.)

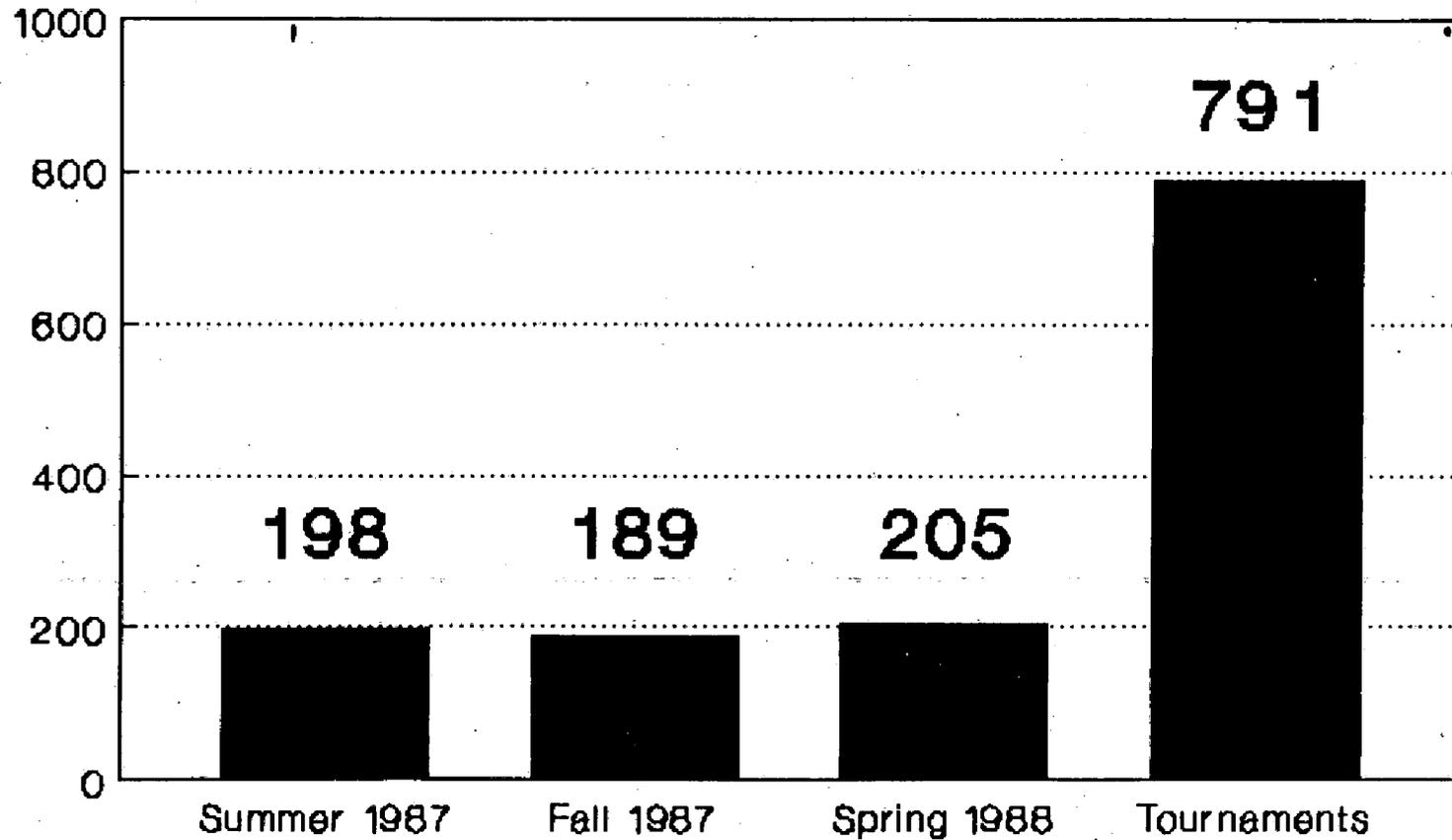
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Sacramento Softball Complex Player Participation



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Sacramento Softball Complex Team Participation



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G R E A T E R S A C R A M E N T O
S O F T B A L L A S S O C I A T I O N

ECONOMIC IMPACT

1988 CO ED NATIONALS

Eighty teams entered the 1988 Co Ed National Tournament. Three teams failed to show. Of the 77 teams that participated, 67 teams were from out of town. Using a conservative estimate of 18 players and 8 spectators per team, the following financial impact was made in Sacramento during this event.

Out of town Participants & Spectators	2,002
X Number of Days	4

Total Visitors	8,008

Average Expenditure per day/per person *	100

Total Expenditures	800,800

* Rate provided by the Office of Economic Research,
California Department of Commerce

TAX GENERATION

Using the above figure, and applying 33% of the expenditure to housing and 67% to incidental sales, the following tax revenues were generated by the 1988 Co Ed National Softball Tournament.

Housing	264,264	
T.O. Tax (10%)		26,426
Incidental Sales	536,536	
Sales Tax - City/County (1%)		5,365

Total Taxes		31,792

SACRAMENTO SOFTBALL COMPLEX
FISCAL YEAR 1987 - 88

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REVENUE

Community Service Fees	169,697.96
Rental Real Property (Advertising)	28,761.98
Concessions	25,000.00
Interest on Investments	7,174.97

Total Revenue	230,634.91

EXPENDITURES

Employee Services - City of Sacramento	41,208.00
Employee Services - County of Sacramento	56,774.14

Total Employee Services	97,982.14
Services & Supplies - City of Sacramento	117,067.47
Services & Supplies - County of Sacramento	41,498.85

Total Services & Supplies	158,566.32
Total Expenditures	256,548.46
Deficit	(25,913.55)
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